

Commercial Recycling in Rhode Island Draft Report

August 6, 2003

Introduction:

The Commercial Recycling Subcommittee was formed to explore the status, issues, and possible improvements related to commercial recycling in Rhode Island. The Subcommittee is part of the overall effort to update the State guide plan element on solid waste management. Serving on the Committee were Carole Bell, Geoff DiCenso, Angela Macera-Briggs, Joe Newsome, Chris Ratcliffe, Shim Silverstein and John Trevor. Terrence Gray chaired the group. The group met three times; on April 9th, on May 7th, and on June 26th. In addition, a fourth meeting was held, with limited attendance, on July 22nd that was specifically focused on encouraging recycling at schools. The following report summarizes the discussions from those meetings.

Existing Regulations:

The Rules and Regulations for Reduction and Recycling of Commercial and Non-Municipal Residential Solid Waste were promulgated in September 1996 under the authorities of Chapters 23-18.8-2, 23-18.9-1, 23-18.9-7, 23-19-3, 23-19-5, 37-15, 42-17.1-2, 42-17.6, 42-20.16, and 42-35 of the Rhode Island General Laws of 1956, as amended.

Generally, the regulations have three main purposes. First, the materials that must be recycled are defined. Second, the regulations establish the requirement that recyclables must be segregated and maintained in good condition. Third, classes of parties are defined that must prepare and submit a source reduction and recycling plan, implement that plan, and report annually on the progress for implementation.

For the purpose of defining those components that must be segregated from commercial solid waste, the following materials are defined as recyclable:

Aluminum	Automobiles	Coated unbleached kraft beverage carriers
Corrugated cardboard	Glass food and beverage containers	Laser toner cartridges
Leaves and yard waste	Newspaper	High density polyethylene (HDPE) plastic milk and water containers
Office paper	Polyethylene terephthalate (PET) plastic soft drink containers	Steel, and tin coated steel cans
Telephone directories	Used lubricating oil	Vehicle batteries
White goods	Wood waste.	

For the purpose of defining those components which must be segregated from non-municipal residential solid waste, the following materials are defined as recyclable:

Aluminum;	Glass food and beverage containers;	Leaves and yard wastes;
Newspaper;	High density polyethylene (HDPE) plastic milk and water containers;	Polyethylene terephthalate (PET) plastic soft drink containers;
Steel, and tin coated steel cans;	Telephone directories;	White goods.

Any person or business who generates commercial solid waste and employs 50 or more employees, as listed in Department of Employment and Training records, must prepare and submit a source reduction and recycling plan. Such a plan must include waste audit, a description of the process by which recyclable materials are to be segregated, and a plan for the reduction of solid waste and recyclables generated. Once this plan is approved by DEM, the business must implement the plan and report on the results annually. These requirements also apply to all government agencies and to owners of multi-unit housing who generate non-municipal residential solid waste. Multi-unit housing includes any housing that the governing body of that municipality has designated as a multi-unit dwelling. Non-municipal residential solid waste is solid waste generated by the residents of a municipality in the course of their daily living for which the governing body of that municipality does not accept responsibility for disposal.

The regulations prohibit solid waste management facilities from accepting for disposal any commercial solid waste containing more than twenty percent (20%) by weight of recyclables.

The distribution of companies who have over fifty employees, according to the most recent publication by the Department and Labor and Training is shown below:

Employees	Total	Services	Manufact	Retail	Finance	Wholesale	Transport	Other
50-99	678	228	154	162	42	41	24	
100-249	421	193	91	71	23	14	18	
250-499	99	35	29	25	5	1	2	
500-999	41	15	11	5	6	0	4	
1000+	30	13	3	7	5	0	2	
	1269	484	288	270	81	56	50	40
		38.1%	22.7%	21.3%	6.4%	4.4%	3.9%	3.2%

In addition to these 1269 businesses, there are 393 schools, over 100 state agencies (13 state Departments, offices of the five elected general officers, the general assembly, the courts, and over 80 organizations overseen by boards and commissions, including quasi-public agencies), and an unknown, but significant, amount of multi-unit housing facilities that are subject to these regulations. There are also approximately fifty (50) solid waste management facilities in Rhode Island. It is a large regulated universe.

Barriers to Implementation:

The biggest barrier to implementation has been the elimination of staff at DEM focused on implementing the program. In State fiscal year 1995 (beginning July 1, 1994), the State elected to seriously limit the number of restricted receipt accounts in Rhode Island. Restricted receipt accounts received revenue from a specific source and limited the spending of those funds to designated purposes. There was a restricted receipt account that received funds from various taxes on hard to dispose materials, including lubricating oils, antifreeze, organic chemicals, and

tires. Typical annual income from these taxes totaled over one million dollars (\$1,000,000). Funds in this account were used to support the commercial recycling program at DEM as well as other specific activities, such as collection and disposal of household hazardous wastes. When the restricted receipt account was eliminated, the intent was to appropriate an equivalent dollar number from the General Fund to continue to support the program. Unfortunately, this amount has been regularly reduced over time as limits on general fund expenditures were imposed. Through attrition staff levels decreased over time to essentially zero.

In addition to the budgetary issues, in 1996 DEM reorganized and made a decision to invest in strategic planning and policy to guide the Department in a more directed path by setting goals and objectives, developing performance measures, and directing activities in support of these goals. The limited staff remaining to implement recycling programs were redirected to oversee the implementation of these department-wide strategic planning efforts.

In 2000, in order to try to develop a more integrated approach to solid waste management, the recycling duties were transferred to the Office of Waste Management at DEM. Unfortunately, no resources were transferred and OWM has not been able to re-initiate any substantial effort in this area.

Without staff to enforce the planning and reporting requirement, compliance has been strictly voluntary and assumed to be very limited.

Even with staff to implement the program, enforceability is a problem. As stated earlier, the regulations prohibit solid waste management facilities from accepting for disposal any commercial solid waste containing more than twenty percent (20%) by weight of recyclables. If a load is suspected of being non-compliant, the effort necessary to separate recyclables from a mixed load, making the assumption that they were in marketable condition prior to mixing, was immense and required up to five people for several hours work. If more than 20% recyclables were found, enforcement resources are limited and the maximum fine of one thousand dollars (\$1,000) has limited deterrent value.

RIRRC has maintained capacity to assist companies in their efforts to recycle. They have staff available to assist companies with waste audits, set up systems to recycle their wastes, and match companies with recyclers. Although this program is also somewhat limited, it has not been challenged due to the limited demand. This low demand is likely a result of the lack of a proactive push for implementation and lack of an enforcement component by DEM.

Barriers to Recycling:

Recycling is an expensive undertaking for many businesses and the return on investment will often be low compared to other capital investments. Given a choice in such capital investments, business will typically pick the ones with the biggest projected return, unless the company is committed to principles of social responsibility.

Rhode Island's commercial recycling statutes and regulations are meant to provide governmental requirements for Rhode Island businesses to recycle, in part to preserve an important State resource, landfill disposal capacity. Unfortunately, lack of attention and enforcement has sent a message to business that compliance may not be a State priority any more. Removing this government motivation, the decision is now an economic one that is rarely advantageous to recycling.

The costs for recycling can be significant, particularly for small businesses. Implementing a recycling plan will require collection vessels, such as bins or totes, arranging for additional containers to hold the recyclables, and scheduling pick-ups for the recyclables. Additionally, the tip fee for commercial entities delivering recyclables to the RIRRC Municipal Recycling Facility is \$25 per ton.

For recyclers, business is high in capital and labor costs and involves very low margins. Without an effective government program to push businesses towards recycling, it is left for the recyclers to try and make the economic case for recycling to their potential customers. It is a very tough sell. In addition, markets for recyclables are prone to weakness. This particularly true for recycled paper, which is dependent on the operation of paper mills in Maine.

Special Categories: Apartments, Schools, and Restaurants

Financial difficulties in schools have minimized their focus on recycling. In addition, there are several challenges that schools face. First, school districts are often separate authorities than municipal government. In many cases they are tasked with contracting for their own trash pick-up. Independent waste contracting leads to the same financial challenges faced by business, in that it is more expensive to arrange for multiple containers and pick-ups at the facility. With dollars in short supply, recycling is not a priority for investment. Schools that do try to recycle often face difficulties in training, and overseeing, the maintenance staff to ensure that recyclables are separated and not co-mingled. Finally, even if the schools arrange for the containers and separates their waste, they cannot effectively oversee their haulers, who have been known to co-mingle the wastes at pick-up to minimize the number of trips necessary.

Multi-family residential units face the same challenges as small business. In many instances, the occupants do not put trash or recyclables out for curbside pick-up, particularly in large apartment complexes. This requires the owner to arrange for multiple containers and pick-ups, creating the same economic, logistic and financial challenges faced by businesses and schools. In many cases, space is also at a premium, so locating another container may eliminate parking or lawn space and ultimately decrease the value of the property.

Restaurants present some special challenges, and some strong opportunities for effective recycling. First, bars generate a large number of bottles, which should be recycled. Second, restaurants generate high percentages of organic food waste, which is very amenable to composting.

Possible Approaches for Improvement:

The following suggestions were raised for improving the rate of commercial recycling in Rhode Island:

- First priority was to implement the existing program. Members suggested that DEM hire additional staff, possibly funded by RIRRC. However, even with funding, this approach will be limited by existing State policies capping the number of employees. In the absence of staff, an alternative means of implementation should be explored, perhaps involving web-based technologies and certification.
- Implement a subset of the existing program, perhaps focusing on particular sectors or industries that are large waste generators or have a large percentage of recyclables.

- Develop an approach focusing on the licensed, or registered, solid waste management facilities and integrate management of recyclables more aggressively into the approvals for these operations.
- Combine a recycling program with the DEM pollution prevention program. Unfortunately, the P2 program has been downsized as well.
- Eliminate the \$25/ton tip fee for commercial recyclables as long as there is capacity in the MRF.
- Explore ways of including efforts by municipalities to encourage commercial recycling into the formula for participation grants from RIRRC.
- Adopt landfill and disposal bans instead of the prohibition on disposal of loads containing over 20% recyclables. A ban is much easier to verify and enforce than the percentage limit. The group did not feel that bans would be problematic for several wastes that are currently required to be recycled including automobiles, white goods, vehicle batteries, used oil, and aluminum. These wastes are currently either not accepted at the landfill or there is an established market for recycling. The group recommended considering bans for the following wastes: leaf and yard waste, wood wastes, office paper, cathode ray tubes (not currently on the recyclables list), and corrugated cardboard.
- Explore the development of capacity to compost food waste if segregated from restaurants and other generators.
- Promote Rhode Island companies that recycle, as well as recyclers. Increase awareness of Rhode Island recyclers so other businesses know they are out there.
- Promote market development for the use of recyclables and products derived from recyclables. This includes targeting companies that would use recyclables as feedstock as part of the State's economic development strategies as well as implementing a statewide program to purchase environmentally preferable products, including those derived from recyclables.

Geoff DiCenso has developed and is implementing pilot projects involving two separate approaches to stimulating commercial recycling at the municipal level. In Burrillville, the approach is to go towards a direct mandate model. In this instance, the motivating factors are potential fines and revocation of the business license.

In North Smithfield, a different model is being explored where the municipality is encouraging cooperation between businesses to encourage more recycling. Specific steps include allowing micro-businesses, such as barber shops, to simply put their recyclables at curbside for collection as municipal waste. The town is also facilitating cooperation among neighboring companies to chip in for a single container and pick-up scheduled shared by participants. The town is also planning on seeking a request for proposals for hauling, which may take advantage of economies of scale if enough participants come forward. The tip fee for these recyclables is being waived by RIRRC for purposes of this pilot project.

- The results of these pilots should be studied and, if positive, the programs should be considered for expansion to other communities.

Chris Ratcliffe has been overseeing the Rhode Island School's Recycling Club. It is a program that recognizes the accomplishments, or lack of progress, of each of the 393 schools in the State through an annual report card. The club runs a web site and collects information through an annual survey to principals. In addition, over the last two years, the club has conducted audits to verify progress. So far, 26 of the 39 towns have been audited, with at least three schools in each town being checked.

- Consider expanding this recognition/grading approach to other sectors or industry.

Finally, DEM may be able to promote commercial recycling through small, add-ons to existing programs.

- Integrate review of recycling plans and progress reports during other inspections of applicable businesses.
- Allow companies to “adopt a school” and subsidize recycling costs as a supplemental environmental project (SEP), often considered to offset penalties for other environmental violations.
- Allow municipalities to support and/or subsidize school recycling costs as a supplemental environmental project (SEP), often considered to offset penalties for other environmental violations. Provisions of the SEP policy that do not allow credit for undertaking activities that a party is already responsible for may limit this. In this case, since schools are already responsible for recycling, a school district or town could not receive SEP credit for implementing the required program unless the party receiving the credit was not responsible for meeting the regulatory mandate.